

SINGLE STOCK FUND

Financial Management



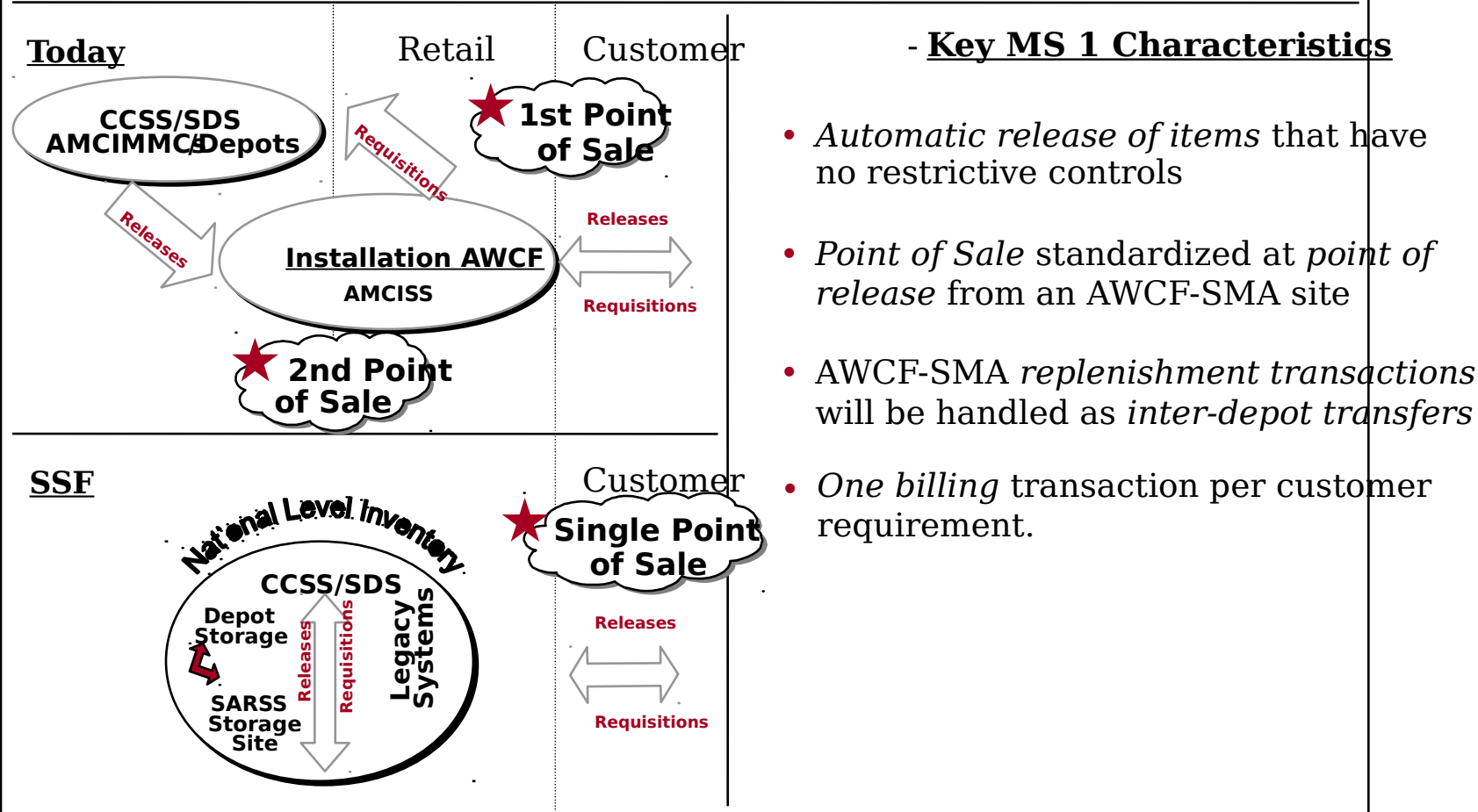
23 June 1999



Single Point of Sale

Definition:

Occurs when a *consumer-funded requisition* is *satisfied* at point of release from managed *AWCF-SMA* account which *triggers* associated *billing*.





Exit Criteria, Single Point of

- **1st Criterion:** Middleware will prevent SSF AWCF-SMA SARSS-1 activities from furnishing data to STARFIARS-MOD to create FA1 DBRs.
 - ***Measurement:*** Review the middleware transaction log to determine if STARFIARS-MOD is receiving A5s from any SSF AWCF SMA-funded SARSS-1 activity. If MOD is not receiving such data, the retail level point of sale has been eliminated.
- **2nd Criterion:** STARFIARS-MOD will not pass SSF AWCF SMA-funded SARSS-1 bills to STANFINS.
 - ***Measurement:*** Review cyclical input from STARFIARS-MOD to STANFINS (R001 and F002) to insure that FA1 DBRs do not reflect RICs of any SSF AWCF SMA-funded SARSS-1 sites.



Single Point of Sale

- **Functional Description:**
 - **During cyclical or periodic billing cycles, the MILSBILLS Interfund Billing system creates a Summary Billing Record (SBR).**
 - **The SBR is a DIC FS1, which summarizes the related Detailed Billing Records (DBRs).**
 - **The DBRs include FA1s, that collect for the issue of materiel.**
 - **The Routing Identifier Code (RIC) in the DBR identifies the billing activity such as DLA, GSA, other Services, AMC IMMCs, or retail AWCF-SMA activities.**



Single Point of Sale

BR IP	MS 1 Business Rules	Demo MS 1	
SBR 1	SBR 1 ARMY SINGLE POINT OF SALE WILL OCCUR WHEN A CONSUMER-FUNDED REQUISITION IS RELEASED FROM a NATIONALLY CONTROLLED AWCF-SMA ACCOUNT.	X	X
SBR 2	THE POLICY FOR RO PENETRATION WILL BE IN ACCORDANCE WITH DOD LATERAL REDISTRIBUTION.	X	X
SBR 3	FOR REPAIR PROGRAMS, AN RO WILL BE ESTABLISHED AT THE AWCF-SARSS-1 BASED ON CUSTOMER DEMANDS. A COE RL WILL BE ESTABLISHED FOR ITEMS REPAIRED UNDER AWCF FUNDED REPAIR PROGRAMS TO HOLD ASSETS REPAIRED TO SUPPORT ARMY-WIDE REQUIREMENTS AND MAKE THEM AVAILABLE THROUGH THE REFERRAL PROCESS TO ALL AWCF CUSTOMERS.	X	X
SBR 4	ONLY ONE SALE TRANSACTION BETWEEN THE CUSTOMER (O&M, RDTE, DM, ETC.) AND THE AWCF-SMA.	X	X
SBR 5	TRANSACTIONS BETWEEN AWCF-SMA ACTIVITIES ARE NON-REIMBURSABLE INVENTORY TRANSFERS.	X	X
SBR 6	SELECTED LOCAL PURCHASES (NON-STANDARD, NON-STOCKED REQUISITIONS, IMPAC CARD PURCHASES, AND NSN REQUISITIONS REJECTED BY THE WHOLESALE SYSTEM) WILL BY-PASS AWCF-SMA, FOR BOTH AMI AND NAMI.	X	X
SBR 7	M / S DEDICATED REQUISITIONS FROM OFF POST CUSTOMERS SUBMITTED TO THE AWCF SARSS-1 WILL REQUIRE ACTION BY MIDDLEWARE IN ORDER FOR THE CUSTOMER FUND CODE TO BE PASSED TO CCSS.	X	X
SBR 8	ALL REQUISITIONS REQUIRE A CUSTOMER FUND CODE.	X	X

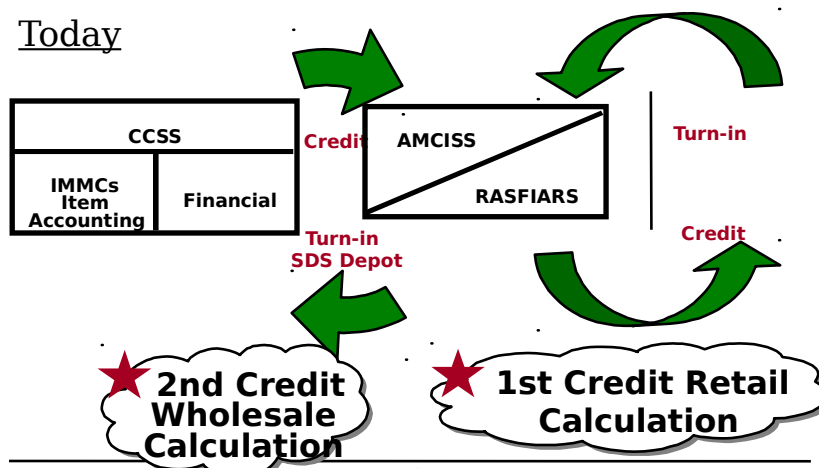


Single Credit Process

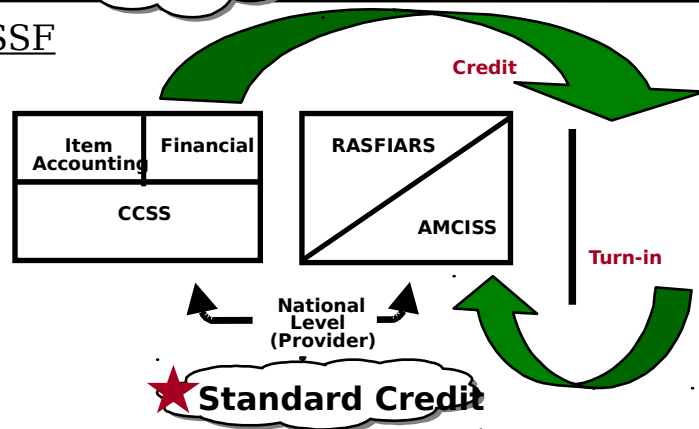
Definition:

Following materiel return, *credit* will be initiated from the AWCF-SMA directly to the funded activity via recording against the obligation authority.

Today



SSF



- Key MS 1 Characteristics

- Annualized, national, need-based credit
- Established by NSN and serviceability
- Issued by an AWCF-SMA at point of customer turn-in
- Stabilized Broadcast via the AMDF/FEDLOG
- Predictable & stable credit values
- One credit transaction per carcass turn-in



Exit Criteria, Single Credit

- **1st Criterion:** Middleware will preclude SSF AWCF-SMA SARSS-1 activities from furnishing data to STARFIARS-MOD to create FD2 DBRs.
 - ***Measurement:*** Review the middleware transaction log to determine if STARFIARS-MOD is receiving D6s from any SSF AWCF SMA-funded SARSS-1 activity. If STARFIARS-MOD is not receiving such data, retail-level credit transactions have been eliminated.
- **2nd Criterion:** STARFIARS-MOD will not pass SARSS-1 credit data to STANFINS.
 - ***Measurement:*** Review cyclical input from STARFIARS-MOD to STANFINS (R001 and F002) to insure that FD2 DBRs do not reflect a RIC of any SSF AWCF SMA-funded SARSS-1 sites.



Exit Criteria, Single Credit Process

- **3rd Criterion:** CCSS will issue credit through STARFIARS-MOD to STANFINS for O&M activities.
 - ***Measurement:*** Review cyclical input from CCSS to STANFINS (R001 and F002) to insure that FD2 DBRs do reflect correct O&M activity RICs.



Single Credit Process

BR IP	MS 1 Business Rules	Demo	MS 1
CBR 1	O&M EXCESS WILL BE TURNED IN TO AN INSTALLATION AWCF-SMA ACTIVITY FOR NATIONAL DISPOSITION, IN ACCORDANCE WITH RO/RL POLICY.	X	X
CBR 2	SSF CREDIT PROCESS WILL BE AN ANNUALIZED, NATIONAL NEED-BASED CREDIT BY NSN AND SERVICEABILITY, ISSUED BY AWCF-SMA FOR A CUSTOMER TURN-IN.	X	X
CBR 3	PRICING AND CREDIT ADJUSTMENTS OUTSIDE THE NORMAL CATALOGING CORRECTIONS DURING THE YEAR OF EXECUTION WILL BE APPROVED BY DA.	X	X
CBR 4	DA WILL SET THE CREDIT POLICY FOR NAMI, AMC WILL EXECUTE.	X	X
CBR 5	AMC WILL PUBLISH ANNUAL NSN BY NSN STANDARD PRICE, SERVICEABLE CREDIT VALUES AND UNSERVICEABLE CREDIT VALUES AND PROVIDE TO DA FOR INPUT INTO THE TRM.	X	X
CBR 6	CREDIT TO NON-ARMY CUSTOMERS WILL BE IAW DOD POLICY.	X	X
CBR 7	CREDIT AND RETENTION DECISIONS IN THE YEAR OF EXECUTION ARE INDEPENDENT OF EACH OTHER.	X	X

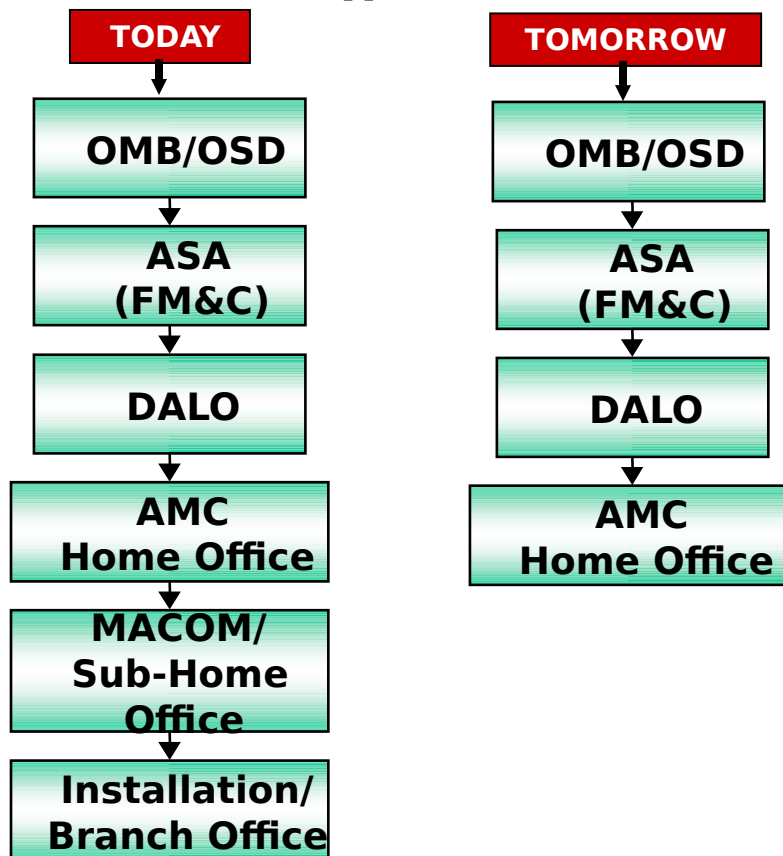




Financial Management

Definition:

Addresses the overall rules related to financial management of the SSF, to include OA management, reporting requirements, budget preparation, UCG management, and redistribution cost application



Key MS 1 Characteristics

- ***Centralized management of OA, Credit Cap and Cash***
-
- ***National Manager overview of budget preparation and submission***
-
- ***SMA financial reporting consolidated @ AMC***
-
- ***UCG monitored @ ICP level***



Financial Management

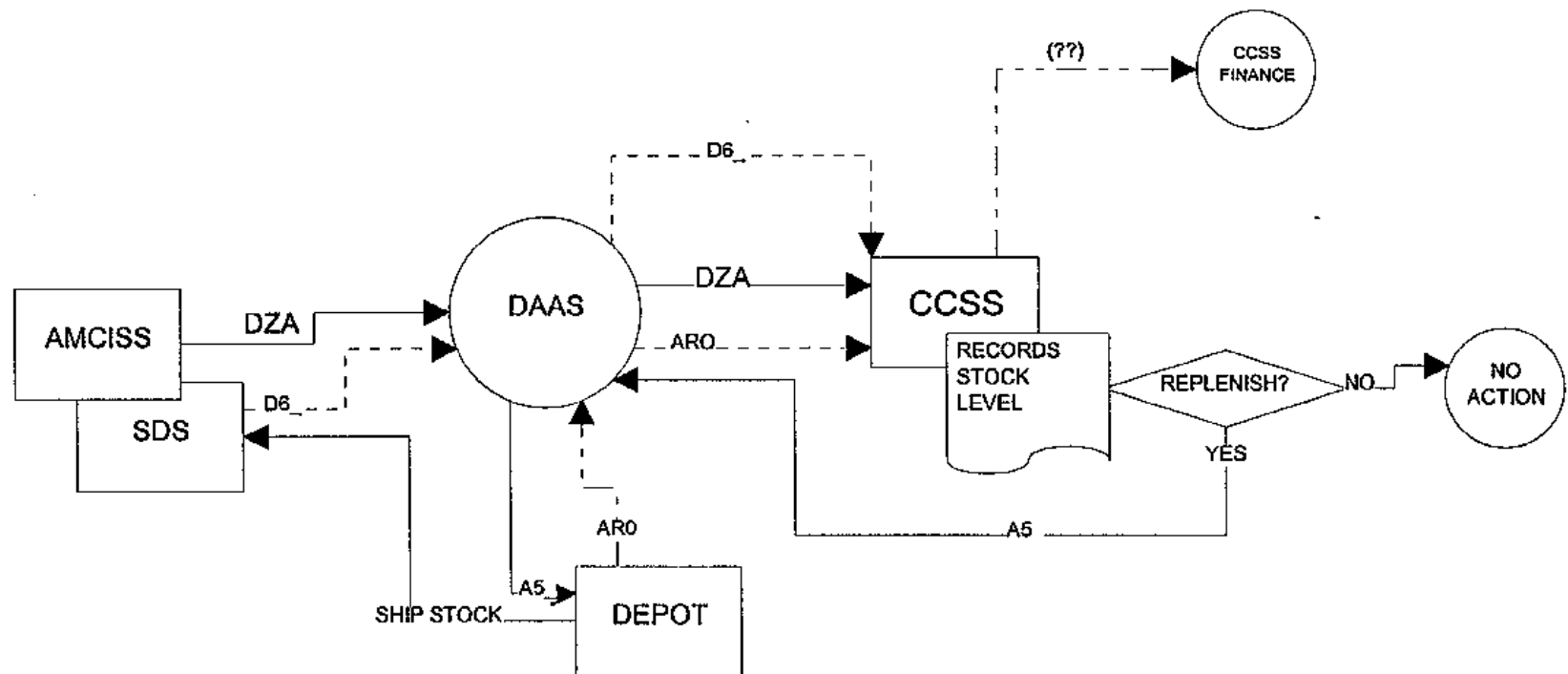
BR IP	MS 1 Business Rules	Demo	MS 1
FBR 1	USE THE TRM CONSUMABLES CREDIT VALUE INITIALLY AND MONITOR FOR EFFECTIVENESS. THIS WOULD ALLOW SMA TO BE ADJUSTED AS REQUIRED.	X	X
FBR 2	NAMI REQUISITIONS WILL FLOW THROUGH IMMC-X FOR PROCESSING. IMMC-X WILL REQUIRE OA FOR REPLENISHMENT BY THE SOS.	X	X
FBR 3	AMC WILL PROVIDE DATA TO HQDA FOR THE SUPPLY MANAGEMENT ARMY AWCF.	X	X
FBR 4	AMC PAYS ALL COSTS ASSOCIATED WITH MOVING STOCK BETWEEN AWCF-SMA ACCOUNTS AND FROM AWCF-SMA ACCOUNTS TO O&M ACCOUNTS	X	X
FBR 5	AMC WILL PREPARE, CONSOLIDATE, AND SUBMIT SSF MS1 BUDGETS TO DA.	X	X
FBR 6	AMC IS THE SMA EXECUTION MANAGER FOR SSF. HQDA AND AMC SHARE RESPONSIBILITY FOR CASH AND OUTLAYS.	X	X
FBR 7	A 100% INVENTORY WILL BE CONDUCTED 90 DAYS PRIOR TO DECAPITALIZATION/CAPITALIZATION OF ASSETS {#36, PMO}	X	X



Back Up Slides



AMCISS Replenishment Process





Issue: Cap/Decap

- **Definition:** Movement of the General Ledger from RASFIARS to CCSS for SSF AWCF activities.
- **Time Frame:**
 - Meeting at LSSC: Identify requirements
 - GRCI: MW design & development & test
 - DFAS: Conversion and implementation
- **Who Participates:** PMO SSF, DFAS (Indianapolis, Lawton & St. Louis), AMC (NBO, RM & IMMC's), LSSC, FORSCOM, TRADOC & GRCI
- **Status:** Financial conversion meeting Hosted by DFAS on May 10-15. Draft procedures will be staffed. DFAS will publ



Issue: Reconciliation

- **Definition:** New supply & finance reconciliation(s) required
- **Time Frame:**
 - Evaluation by PMO SSF
 - Develop IT solution
- **Possible Solution:**
 - Supply to Supply reconciliation:AMCISS to CCSS
 - Supply to Finance reconciliation:
 - Assumption: AMCISS will do inventory accounting for stocks
 - AWCF: AMCISS to CCSS
 - Direct Funds: AMCISS to SOMARDS
 - Finance to Finance reconciliation:
 - CCSS to SOMARDS
- **Who Participates:** PMO SSF, DFAS (RASFIARS & OPLOCs), MACOMs, Installations & GRCI
- **Status:** Meeting held May 4-5 with MACOM/Installations reps. Required determined (SARSS related). PMO SSF and DFAS action. Will present at next Financial Issues meeting.



Issue: Processing Cycles

- **Definition:** Who sets month-end & year-end cycle schedules?
- **Possible Solution:** Cycles must be in-sync globally. DFAS St. Louis OPLOC will be overall coordinator, publish schedule & coordinate as appropriate.
- **Who Participates:** PMO SSF, DFAS (STARFIARS-MOD OPLOCs & AMC St. Louis OPLOC), Installations
- **Status:** DFAS (St. Louis) will be overall coordinator, will establish publish schedules.



Issue: Interfund Bill

- **Definition:** STARFIARS-MOD will not process other than AWCF regulatory fund code for CCSS interfund bills.
 - **Time Frame:**
 - GRCI evaluation
 - MW design & development & test prior to 1 April
 - **Possible Solution:** MW edit CCSS interfund bills to put on APC code & correct entry in cc 59 before passing to STARFIARS-MOD. Alternate solution is SCR to STARFIARS-MOD
 - **Who Participates:** PMO SSF, DFAS (Indianapolis, Lawton & St. Louis), AMC (NBO, RM & IMMC's), LSSC & GRCI
-
- **Status:** STARFIARS-MOD will be changed. SCR in place and



Issue: Intercept & Edit F09

- **Definition:** Need to coordinate work-around edits performed by installation (including for temporary customers)
- **Time Frame:**
 - Coordination with FORSCOM/TRADOC: Identify requirements
 - MW design & development & test prior to 1 April
- **Possible Solution:** Develop standard edits (w/FORSCOM & TRADOC). MW (outside CTASC) automates edits.
- **Who Participates:** PMO SSF, DFAS (Indianapolis, Lawton & St. Louis), FORSCOM, TRADOC, AMC (NBO, RM & IMMC's), LSSC & GRCI
- **Status:** Meeting held May 4-5 with DFAS & MACOM/Installation reps. Requirements determined. Middleware is solution. PMO SSF action.
Will present IT solutions at next Financial Issues meeting in July/Aug.



Issue: Offset

- **Definition:** Timing of release (funding & allotment) of offset to MACOMs before start of test
- **Time Frame:**
 - Input to HQDA by mid-April for FY99 offset
 - Timing of release to commands -- funding & allotment released prior to demonstration start
- **Possible Solution:**
 - DALO-RMI estimate -- \$10M UFR
 - Refine estimate using historical data & simulation
- **Who Participates:** HQDA (ASAFM&C & DCSLOG, PMO SSF, AMC (NBO & RM), FORSCOM & TRADOC
- **Status:** Methodology determined at the May 4-5, Financial Issues Meeting. Timing of release of funds planned prior to demonstration start.



Issue: Credit

- **Definition:** Test process is not resolved for the demonstration for NSN-by-NSN credit locked for one year.
- **Time Frame:**
 - 1 February: NSN-by-NSN credit set by 1 February
 - February: Resolve IT solution
 - If necessary: MW design & development & test prior to 1 April
- **Who Participates:** PMO SSF, AMC (NBO & RM), LSSC & GRCI
- **Status:** STARFIARS-MOD will be changed to handle NSN by NSN credit for stock fund and for O&M to O&M credit. Systems change request (SCR) submitted and funded. DFAS action.



Implementing Credit Policy (Demo & Milestone 1)

Dec 99 SSF GOWG Tasker



Background from Dec 98 SSF GOWG

- ◆ **ODCSLOG presented an overview of HQDA Credit Policy**
- ◆ **Some discussion that future policy decisions may address:**
 - ◆ **Free Issue of Class IX Reparables**
 - ◆ **Adoption of an Exchange Price policy**
 - ◆ **Discontinuing Credit**
- ◆ **“Consensus reached that the term ‘Interim’ no longer applies to what was previously referred to as the HQDA ‘Interim Credit Policy.’”**

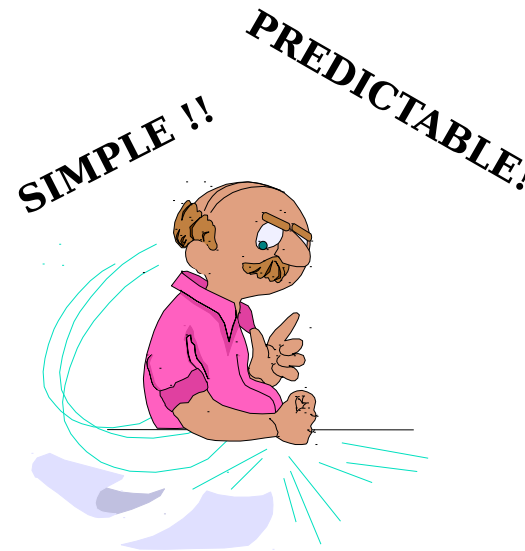
--GOWG AAR dated 26



Financial Credit Policy Summary

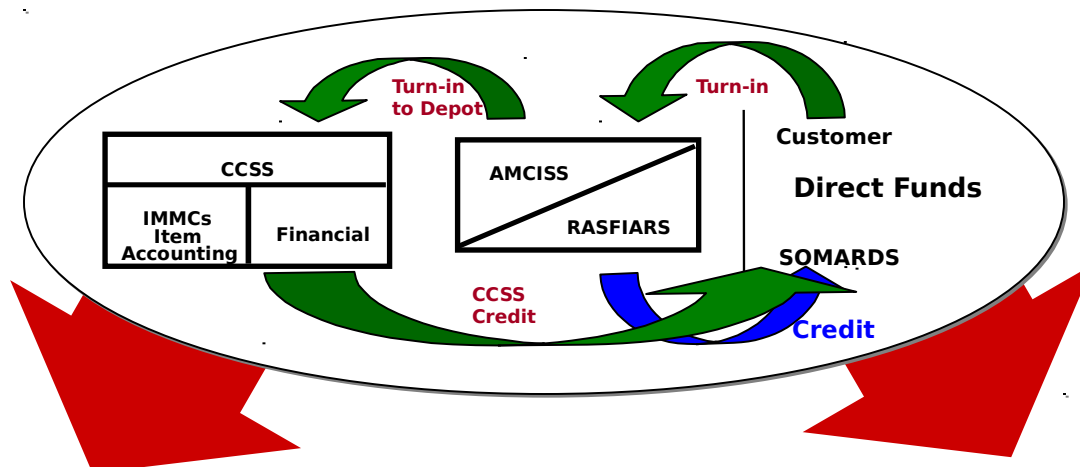
Based on Requirements

- ◆ **Streamlines Credit Process**
- ◆ **Simple To Understand**
- ◆ **Yearly Stabilized Rates**
- ◆ **Smart Business Practice**
- ◆ **Financially Supportable**
- ◆ **Maintains SMA Solvency**
- ◆ **Does Not Repair To Excess**
- ◆ **Supports NMM**
- ◆ **ICW Supply Policy**
- ◆ **ICW DCSLOG & ESC Guidance**
- ◆ **ICW ASA(FM&C) Intent To Reduce O&M Dependence On Credit**





Credit Process for SSF



Demonstration



Use National
Calculation
with Fixed Rates

- NSN by NSN for serviceable and unserviceable materiel
- Use locked file for demo sites
- Assess variance from current credit (Metric)

Milestone 1



AWCF and O&M Credit Granted
Using AMDF (NSN by NSN Table
with Fixed Rates)

- NSN by NSN
- Serviceable and unserviceable
- Fixed for one year
- Effective on 1 Oct 00
 - All Army credit NSN by NSN
 - Begin transition to SSF
- CCSS grants AWCF credit using AMDF (phased conversion)
- STARFIARS-MOD grants O&M credit



Demonstration Credit O&M Offset

Purpose: To ensure no loss of buying power as we move forward from dual-tiered credit system to a single-tiered credit policy

- ✓ **Commitment reflected in the SSF Campaign Plan**
- ✓ **Separate from (but related to) need to balance BASOPS, OPTEMPO, and RPM**

✓ **Tasker for SSF PMO to Determine and ASA(FM&C) to Resource O&M Offset for the Demo Sites**



Demo Offset Strategy

- **Comparison of turn-in data between SARSS and STARFIARS-MOD using ILAP for the demo sites**
- **Evaluate credit given in STARFIARS**
- **Develop a standard formula for estimating demo offset in coordination with FORSCOM and TRADOC**
- **Use that estimate to request additional funds in the BES for the demonstration**